

**General Optical Council Annual Report,
Annual Fitness to Practise Report and
Financial Statements for the
Year Ended 31 March 2020**

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**Registered as a charity by the Charity Commission in England and Wales
(registered charity number 1150137)**

Presented to Parliament pursuant to section 32A(2) of the Opticians Act 1989 as amended by
schedule 2 paragraph 3 of the Health Care and Associated Professions (Miscellaneous
Amendments) Order 2008

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Contents

Message from the Chair	1
Message from the Chief Executive	3
Introduction	5
Our Strategy and Performance	7
Performance Against our Strategic Objectives	8
Our Plans for 2020/21	13
Our Risks	15
Our People	16
Our Structure, Governance and Management	18
Reference and Administrative Details	27
Our Fitness to Practise Report	28
Financial Review of the Year Ended 31 March 2020	37
Statement of Trustees' Responsibilities	39
Independent Auditors Report to the Trustees of General Optical Council	40
Statement of Financial Activities for the Year Ended 31 March 2020	43
Balance Sheet for the Year Ended 31 March 2020	44
Cash Flow Statement for the Year Ended 31 March 2020	45
Notes to the Financial Accounts for the Year Ended 31 March 2020	46

SECTION ONE: HOW WE DELIVER PUBLIC BENEFIT

MESSAGE FROM THE CHAIR

As we complete the final year of our strategic plan for 2017-20, I am proud of the progress that has been made not only during the past year but also all that we have achieved over the previous three.

In 2019-20, we have continued to make great strides with our Education Strategic Review (ESR), including Council's agreement on four 'steers' to guide the development of an integrated model of education. This review, in conjunction with our Continuing Education Training (CET) Review, will ensure both optical students and professionals are able to meet the changing needs of patients in the future: there are exciting proposals in the pipeline.

As part of the CET Review, we published an evaluation of the 2016-18 CET cycle (which looked at the effectiveness of the current scheme), trends in registrant behaviour and possible future developments, alongside research to help us understand the risks of the professions. These insights have been used to help us shape proposed changes to the scheme. We are looking forward to consulting with our stakeholders in 2020 to finalise our plans.

In October 2019, the new *Standards for Optical Businesses* came into effect. The new standards now appropriately balance responsibilities between individuals and businesses, which will ensure patient safety in a fast-changing landscape including new technology, an ageing population and expanding scopes of practice.

As we do every year, we welcomed the Professional Standards Authority's report on our performance for 2018/19 and I'm pleased to say that we met 22 of the 24 Standards of Good regulation, including all the standards for Education, Registration and Standards.

We closed this year as the Covid-19 pandemic began, which has undoubtedly impacted the way we have had to regulate. I commend our staff for their commitment and professionalism during such an unprecedented time and for their ongoing dedication to delivering an excellent service to our registrants and carrying out our core regulatory functions to protect the public. I would especially like to thank Lesley Longstone and the newly formed Senior Management Team, all of whom have shown great leadership throughout the year and in recent months.

Other challenges in the sector remain, including growth in online and remote provision, legislative reform, and political and international developments, such as Brexit. However, these challenges present us with opportunities to make positive change and we will be addressing these in our new five-year strategic plan *Fit for the Future* from 2020-25.

As I enter into my last year as GOC Council Chair and the first year our new strategic plan, I want to thank all of our stakeholders who gave us their feedback to help us finalise the plan. I would also like to thank everyone I have worked with

SECTION ONE: HOW WE DELIVER PUBLIC BENEFIT

throughout my tenure; it has been a most rewarding experience and I have been pleased to play such an important role in protecting the public. I look forward to handing over to my successor the ever-continuing task of carrying the organisation's work forward to achieve our vision of being recognised for delivering world-class regulation and excellent customer service.

Gareth Hadley



Chair, GOC

SECTION ONE: HOW WE DELIVER PUBLIC BENEFIT

MESSAGE FROM THE CHIEF EXECUTIVE

I would like to start by thanking our Chair for his work and dedication over the past seven years. Gareth's contribution to our Council has been instrumental in moving the GOC forward and with his guidance and support, we have initiated and developed a number of major programmes of work that will transform the future of the optical professions.

One of these is the Education Strategic Review (ESR) and this year was pivotal as Council agreed the framework for developing a new integrated model of education and training. Successful implementation will depend on continued collaboration with the sector, and I would like to thank our Expert Advisory Groups (EAGs) and other stakeholders who have been key in helping us to progress to this point.

Elsewhere in education, we focussed on developing our approval and quality assurance function to be more efficient, risk-based and collaborative. As a result, we reduced the turnaround time of visit reports by 33 percent and saw an over 50 percent decrease in our average response time.

The Continuing Education and Training (CET) Review continued a pace and we developed proposals, which are now out for consultation, for changes to the CET scheme for 2022-24. These changes will make the scheme more flexible and less prescriptive, allowing registrants greater freedom to undertake learning and development that is relevant to their own personal scope of practice. We also made efforts to enhance our CET operations and assist registrants in meeting their requirements and I am pleased to report that 95.25% of registrants had met their annual CET points target by December 2019.

Our support for registrants included the new *Standards for Optical Businesses*, which came into effect in October 2019. We used new, innovative ways to promote them including the launch of a new Standards microsite and our first CET-accredited webinar. We also consulted on draft guidance on disclosing confidential information in response to our registrants needing clarification in this area, particularly with regard to vision and driving. We published the final guidance in February 2020, including a flowchart to aid decision making, which was met with positive feedback.

I echo the Chair's words on welcoming the results of the Professional Standards Authority's (PSA) report for the period 1 January to 30 September 2019 in which we continued to meet 22 of 24 standards including all standards relating to Guidance and Standards, Education and Training, Registration and Fitness to Practise. The standards we did not meet related to our timeliness in Fitness to Practise (FTP) cases and not communicating our decisions to the PSA within a reasonable timeframe. We remain committed to completing cases more quickly and have a full programme that is already showing significant promise.

Our FTP Improvement Programme, including a review of our Acceptance Criteria and enhancements to our triage function, has led to a halving of our open caseload over the past 12 months. We have also seen a significant reduction from 59% in 2018/19 to 39% this year in the proportion of concerns received resulting in a formal

SECTION ONE: HOW WE DELIVER PUBLIC BENEFIT

FTP investigation, with more cases dealt with more appropriately as service level complaints. These are significant shifts that put us in a much healthier place for 2020-21.

In 2019-20 we also consulted on our draft strategic five-year plan 'Fit for the Future' which will come into effect on 1 April 2020. As the Chair has said, our vision is to be recognised for delivering world-class regulation and excellent customer service. This includes revising our Standards for

individuals, continuing with our ESR, CET Review and FTP improvement programmes, implementing new legislation, investing in our IT and developing our People and Equality, Diversity and Inclusion (EDI) plan.

We could not have anticipated that as we closed the year, we would be working in such extraordinary circumstances as a result of the Covid-19 pandemic. I'm proud of the way GOC staff have responded to the triple challenge of continuing to exercise our regulatory responsibilities, the overnight shift in ways of working and most importantly the need to support the sector and our registrants in responding to the additional challenges that Covid-19 has brought.

Whilst much is unknown, we remain committed to protecting the public and supporting our registrants so they can continue to provide safe and high-quality eye care to patients. We also look forward to continuing our collaborative work across the sector to ensure that we are indeed "Fit for the Future".

Lesley Longstone

A handwritten signature in black ink, appearing to read 'L. Longstone', written in a cursive style.

Chief Executive and Registrar, GOC

SECTION ONE: HOW WE DELIVER PUBLIC BENEFIT

INTRODUCTION

The trustees present their report on the activities we have undertaken over 2019/20 to fulfil our statutory role and charitable purpose, and financial statements for the year ended 31 March 2020. In preparing this report, the trustees have complied with the Charities Act 2011 and applicable accounting standards. The statements are in the format required by the Charities Statement of Recommended Practice (SORP 2019) FRS 102. We have complied with the guidance of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission in determining the activities we undertake.

We are the regulator for the optical professions in the UK. As of 31 March 2020, there were 32,118 optometrists, dispensing opticians, student opticians and optical businesses on our register, who are known as our 'registrants'. Our charitable purpose and statutory role is to protect and promote the health and safety of members of the public by promoting high standards of professional education, conduct and performance among optometrists and dispensing opticians and those training to be optometrists and dispensing opticians.

We have four core functions:

- setting standards for optical education and training, performance and conduct;
- approving qualifications leading to registration;
- maintaining a register of individuals who are qualified and fit to practise, train or carry on business as optometrists and dispensing opticians; and
- investigating and acting where registrants' fitness to practise, train or carry on business is impaired.

Most of our income comes from registrant fees and is used to further our charitable purpose. Table one sets out the annual fees that registrants are required to pay for entry or retention on our register. In 2019/20, we implemented an increase across all fee levels, with the exception of students, in line with inflation. In 2019/20 the standard fee was £350, which has been increased to £360 for 2020/21.

Table one: annual registrant fee

Fee levels	2019/20	2018/19	2017/18	2016/17
Optometrists	£350	£340	£330	£320
Dispensing opticians	£350	£340	£330	£320
Corporate bodies	£350	£340	£330	£320
Students	£30	£30	£30	£25
Low income fee	£250	£240	£230	£220

Table two shows a breakdown of registrants across the UK on 31 March 2020 and compares this with the previous three reporting years. We report separately on the diversity of our registrants and registrants subject to FTP investigations, through our EDI Performance Monitoring Report, which is available on our website.

SECTION ONE: HOW WE DELIVER PUBLIC BENEFIT

Table two: total number of registrants in each GOC category

	31-3-20	%	31-3-19	%	31-3-18	%
Optometrist	16,670	52%	16,039	51%	15,304	51%
Dispensing optician	7,157	22%	7,032	22%	6,768	22%
Student optometrist	3,934	12%	3,761	12%	3,604	12%
Student dispensing optician	1,510	5%	1,753	6%	1,824	6%
Business registrant	2,847	9%	2,783	9%	2,597	9%
TOTAL	32,118	100%	31,368	100%	30,097	100%

SECTION ONE: HOW WE DELIVER PUBLIC BENEFIT

OUR STRATEGY AND PERFORMANCE

Our strategic plan 2017-20 provided the focus for our work in delivering public benefit. Our objectives for this period of time are summarised in Figure one below.

Figure one: summary of 2017-20 strategic objectives



In 2019/20 we worked on nine projects, grouped under our three strategic objectives. We also focused on the effective and efficient fulfilment of our regulatory, statutory and support functions, and on building our capacity and capability to ensure delivery of our strategic plan.

SECTION ONE: HOW WE DELIVER PUBLIC BENEFIT

PERFORMANCE AGAINST OUR STRATEGIC OBJECTIVES

Education Strategic Review

In March 2016 the GOC launched its Education Strategic Review (ESR), a project that remained a key priority in its 2017-2020 Strategic Plan. The purpose of the review was to ensure that as the optical sector evolves the qualifications approved by the GOC and the standards we set for the education and training of optical professionals are fit for purpose. To enable us to continue to protect the public, newly qualified registrants must have the right knowledge, skills and behaviours to meet patient and service user needs safely in the context of rapid change in the commissioning of eye-care services in each of the four nations.

The evidence supporting the review, the options considered and the case for change is published on the GOC website. This includes the outcome of a public consultation which ran from November 2018 to February 2019.

In July 2019 GOC Council agreed four 'steers' to guide the development of an integrated model of optical education. These required three deliverables:

- *outcomes*, which describe the knowledge, skills and behaviours individuals must have to register as a dispensing optician or an optometrist;
- *standards*, which describe the expected context for the delivery and assessment of the outcomes by an educational provider acting as a single point of accountability (SPA); and
- *assurance*, which describes how we will gather evidence to decide whether qualifications delivered by a SPA meet the outcomes and standards. We will use the standards and outcomes to decide whether to approve a qualification leading to GOC registration.

Successful implementation of the new model of optical education will depend on a number of factors, in particular recognising the importance of a collaborative approach in finding solutions for sufficient funding to support the demands of an integrated model of education and training. Alongside the work of the Expert Advisory Groups (EAGs), tasked with developing the outcomes and standards, the GOC organised a series of roundtables, bringing the sector together to find solutions to issues critical to the successful implementation of the ESR.

Education approval and quality assurance (A&QA) function

This has been another successful year in which we focussed on developing our A&QA function to be more efficient, risk-based and collaborative.

As well as completing all outstanding visits and fully addressing the historical backlog, we:

- completed our first cycle of the revised Annual Monitoring and Reporting (AMR) process, publishing the sector-wide report, which shared our analysis of risks in the sector;

SECTION ONE: HOW WE DELIVER PUBLIC BENEFIT

- introduced a new education decision-making framework – which clarified all decision points and decision-makers within our A&QA function, further to the governance review;
- reformatted our list of GOC requirements for providers, used within our quality assurance visits. This has made the visits more focussed and our conditions-setting much clearer;
- implemented streamlined visit reports – which reduced the turnaround time by 33 per cent;
- launched a revised Education Visitor Panel member induction process, which includes a new buddy system.

Our implementation of the notification of reportable events and changes policy and process last year has resulted in better dialogue with education providers and more notifications than before. We have also decreased our average response time by more than 50 percent.

We granted provisional approval to the following qualifications:

- Anglia Ruskin University – Contact Lens Optician PG Cert
- University of Central Lancashire – BSc (Hons) Ophthalmic Dispensing / MSci Optometry
- University of Hertfordshire – Independent Prescribing
- University of Huddersfield – BSc (Hons) Optometry
- Teesside University – BSc (Hons) Clinical Optometry
- University of Highlands and Islands – BSc (Hons) Optometry

We granted full approval to the following qualifications:

- University of Hertfordshire – Master of Optometry
- Glasgow Caledonian University – BSc Ophthalmic Dispensing Management

Courses whose approval was withdrawn:

- University of Portsmouth – Masters in Optometry

We withdrew our approval from the University of Portsmouth's Masters of Optometry programme, following ongoing discussion and collaboration with the provider, in line with our serious concerns review process. Where possible we took steps to mitigate the impact of this decision on students and worked closely with the Office for Students throughout.

We have maintained significant stakeholder engagement, continuing to host a variety of workshops and provider forums, and alongside handling new applications to gain GOC approval.

Continuing Education and Training (CET) Review

Following the consultation in 2018, we have been progressing our proposals to give more control to registrants over their continuing professional development while retaining a core for revalidation purposes and to prevent de-skilling. These proposals include:

SECTION ONE: HOW WE DELIVER PUBLIC BENEFIT

- changing the underlying standards for CET to our standards of practice to free up the system;
- promoting and enhancing reflective practice skills for learning and development;
- rebranding the scheme to CPD to better reflect the nature of the scheme from 2022; and
- reviewing the CET approvals process to ensure proportionality.

As part of our CET review programme, we produced an evaluation of the 2016-18 CET cycle and published this on our website in October 2019. It analysed the effectiveness of the CET scheme, identified trends in registrant behaviour and future developments required.

We also commissioned Enventure Ltd to carry out research to update our understanding of the risks associated with the profession. The research involved an online survey, generating around 2,600 responses from a range of stakeholders across the sector. It also involved interviews with stakeholder organisations, registrant focus groups across all the nations, an analysis of GOC fitness to practise cases, complaints to the Optical Consumer Complaints Service (OCCS) and some external insurance company complaints data. The research report was published on our website in October 2019.

We used both pieces of research to continue to progress the project and help shape our proposed CPD model for 2022, as well as holding workshops with key stakeholders to gain feedback on our policy proposals. A public consultation document on the proposed changes to the CET scheme for 2022-24, was subsequently published in May 2020.

CET operations

Over the past year we have undertaken a number of activities to enhance our CET operations and assist registrants in meeting their requirements. This included;

- overseeing the review of 4,244 Standard applications, 337 registrant-led Peer Review applications, 395 Non-UK CPD application, 35 non-standard applications and 67 appeals;
- processing and approving 37 new CET Provider applications;
- removing access to the system for 10 Providers who no longer wished to deliver CET;
- successfully ensuring that 95.25% of registrants had met their annual CET points target by December 2019 through targeted communications.

The review of registrant's ratings when accepting points confirms a satisfaction rating of more than 90% from the top 10 CET Providers and more than 80% from all Providers, which was in line with expectations.

Legislative Reform programme

Over the past year, we have continued to engage with the Department of Health and Social Care (DHSC) regarding its plan to reform the healthcare regulators'

SECTION ONE: HOW WE DELIVER PUBLIC BENEFIT

legislation, with the aim allowing us to operate more efficiently and effectively. There has been particular focus by DHSC on fitness to practise and governance reforms, but we have taken a broader view and continue to develop proposals for reform beyond these two areas. DHSC's timescales have been hindered by Brexit, the election period and the Covid-19 pandemic but we will continue to engage and to work collaboratively with the other healthcare regulators to progress this matter.

During this financial year we also succeeded in progressing legislative reform to remove the cap on the number of members of our hearings panel. This was implemented in September 2019 and has helped us to increase the number of hearings that we are able to hold.

Strategic plan

We worked throughout the year to review our priorities and objectives and developed a new strategic plan for consultation in December 2019. The feedback we received was very positive and included several suggestions that we were able to take on board, including the need for the GOC to be more agile. This was added to our new corporate values and the GOC Strategic Plan 2020-25 *Fit for the Future* was published in April 2019.

Business Standards

Our new *Standards for Optical Businesses* were published on 8 April 2019 and came into effect on 1 October 2019. They were updated to maintain consistency with and to complement the *Standards of Practice for Optometrists and Dispensing Opticians*, appropriately balancing responsibilities between individuals and businesses. The new standards look to ensure patient safety in a fast-changing landscape with new technology, an ageing population and expanding scopes of practice.

We produced several resources to raise awareness of the standards and assist registrants in implementing them in practice. These included a Standards microsite, a CET-accredited webinar and animation. Continue to devise and implement changes that address external issues, and deliver significantly improved outcomes for patients and the wider public, through improved operational efficiency. In 2020/21 we will implement our new IT Strategy including the new MyGOC registrant portal and website allowing greater on-line registrant access to services. The new website improves accessibility for those with a sight impairment and we will continue the work we have begun to capture more and better data on a wider range of protected characteristics to help inform and shape our regulatory work. Investment in cyber security and our IT infrastructure will provide operational improvements for staff and lay the building blocks for improved services to customers.

Standards and supporting guidance

From March to June 2019 we consulted on new draft guidance on disclosing confidential information about patients. Respondents welcomed the guidance seeking further clarification in some areas and asking for a flowchart to aid decision-making. The final guidance, including a flowchart, was published in February 2020

SECTION ONE: HOW WE DELIVER PUBLIC BENEFIT

and supported with content across social media. The guidance will help registrants to decide when it is appropriate to disclose confidential information in the public interest. A common example encountered by registrants is where a patient is no longer fit to drive as a result of their vision.

We also produced a statement on the use of lissamine green ophthalmic strips, setting out our position in this area to assist our registrants in ensuring that they act in the public interest.

How our performance is measured externally

Like all other healthcare regulators, our performance is assessed externally by the Professional Standards Authority (PSA). The assessment focuses on whether we have met the PSA's standards of good regulation, which describe the outcomes the PSA expects us to achieve through our regulatory functions.

In the most recent assessment for the period 1 January to 30 September 2019 (referred to by the PSA as our 2018/19 assessment) we met 22 out of the 24 standards, including meeting all of the standards for our Education, Registration and Standards functions. The standards we did not meet related to our timeliness in fitness to practise cases and not communicating our fitness to practise decisions to the PSA in a reasonable timeframe.

We remain committed to completing fitness to practise cases more quickly and have a full programme of work (as outlined in our Strategic Plan 2020-25) to address this multi-faceted challenge. We have also made changes to our standard operating procedures to help prompt staff to send outcomes to the PSA in a timely manner and are looking to upgrade our case management system to assist in post-hearing tasks.

Fitness to Practise Quality Audit

We continue to receive a good level of assurance in respect of our fitness to practise decision-making.

Our annual independent audit of decisions reviews mostly higher-risk decisions, for example cases closed by the Registrar (at triage stage), cases closed by case examiners and by the Investigation Committee (IC), and cases where the Fitness to Practise Committee (FtPC) takes no action, including decisions of the FtPC not to impose an interim order. The decisions of the case examiners, the IC and the Registrar are higher-risk as matters are considered on documents alone, and there is no public hearing.

The overall finding of our audit of 2018-19 decisions was that 'the findings made in this audit demonstrate substantial compliance with the Council's statutory obligations. They also demonstrate compliance with the Council's own procedural requirements and guidance. We have identified a small number of cases where there were errors in decision making but we did not regard those as material.'

SECTION ONE: HOW WE DELIVER PUBLIC BENEFIT

OUR PLANS FOR 2020/21

2020-21 marks the first year of our new five-year strategic plan 'Fit for the Future' and this year we aimed to deliver several discreet projects alongside our normal regulatory activity to achieve our vision of being recognised for delivering world-class regulation and excellent customer service.

However, 2020 has proven to be an unprecedented time for the optical professions in light of the Covid-19 emergency. Supporting our registrants to respond to Covid-19 in ways that keep them and their patients safe is now our over-riding priority. Some aspects of our work plan may need to be delayed and others may need to be accelerated. Because of these extraordinary circumstances we intend to keep our original work plan set out below under continual review.

In the first year of our five-year strategic plan we are focusing on the following five projects. These are grouped under our three strategic objectives; delivering world-class regulatory practice, transforming customer service and building a culture of continuous improvement. We will also be focused on the effective and efficient fulfilment of our regulatory, statutory and support functions.

Project	Objectives, outcomes and planned activity
Education Strategic Review	Deliver a strategic review of optical education and training and implement changes to ensure that education programmes and qualifications leading to GOC registration equip students to meet patients' future needs, as technological change and the increased prevalence of enhanced services alter the roles that optometrists and dispensing opticians play in the delivery of eye care. In 2020/21 we will develop and run a full public consultation and verification exercise on the draft deliverables (outcomes for registration, standards for approved qualifications and the quality assurance and enhancement framework) with the aim of finalising these and progressing to implementation.
CET Review	Continue to implement changes to ensure the scheme operates effectively and registrants are safe to practise and encouraged to focus on continuous professional development. In 2020/21 we will carry out our consultation on proposed CET reforms.
Legislative Reform	Engage with Government on reform of our Fitness to Practise and governance framework governing legislation to help us operate more efficiently and effectively. In 2020/21 we will respond to Government consultation and plan for implementation.

SECTION ONE: HOW WE DELIVER PUBLIC BENEFIT

Efficiency Programme IT Strategy	<p>Continue to devise and implement changes that address external issues, and deliver significantly improved outcomes for patients and the wider public, through improved operational efficiency. In 2020/21 we will implement our new IT Strategy including the new MyGOC registrant portal and website allowing greater on-line registrant access to services. The new website improves accessibility for those with a sight impairment and we will continue the work we have begun to capture more and better data on a wider range of protected characteristics to help inform and shape our regulatory work. Investment in cyber security and our IT infrastructure will provide operational improvements for staff and lay the building blocks for improved services to customers.</p>
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SECTION ONE: HOW WE DELIVER PUBLIC BENEFIT

OUR RISKS

Our approach to risk management is set out in our risk management policy. We consider that an effective risk management strategy and policy is fundamental to the achievement of all the GOC's strategic objectives and is an essential part of good governance.

Both Council and the Audit, Risk and Finance Committee discuss and review the principal risks and uncertainties regularly throughout the year. The Senior Management Team regularly monitors existing and emerging risks and identifies mitigating actions. We capture and monitor operational risks through our corporate, directorate and departmental risk registers. We have also carried out work to clarify our risk appetite.

We continue to maintain robust systems and procedures to mitigate the risk of failure to deliver our statutory functions, which are at the heart of protecting the public. This includes, for example, attention to the areas where individuals:

- seek to fraudulently gain access to the register;
- provide misleading information in an FTP case; or
- do not comply with the requirements of our standards for CET.

Horizon scanning and being alert to emerging operational and strategic risks are part of ongoing business oversight. This is important because some of our key risks come from the external environment, which means we have to work with stakeholders to understand and identify the actions we can take to manage them.

Risks associated with the Covid-19 emergency and with Brexit, as we approach the end of the transition period, are uppermost in our considerations and will remain important over the next year. The long-term implications of Covid-19 for the optical sector and related education institutions may also give rise to new risks and is being carefully monitored.

SECTION ONE: HOW WE DELIVER PUBLIC BENEFIT

OUR PEOPLE

Our people remain central to achieving our charitable purpose and strategic objectives.

Our people

We continue to monitor staff engagement through an annual staff satisfaction survey conducted each autumn by an independent consultancy. For 2019-20 overall scores for staff engagement dropped slightly, from 37% to 32%. Overall staff engagement draws on answers to a number of questions to produce a single measure (LEVI: Leadership, Engagement, Voice and Integrity). Comparing the results to the benchmark data for the public sector, shows responses equal to or better than benchmark in 33 areas, and lower than benchmark in 18 areas. Full feedback has been shared with staff and a new Staff Engagement Plan has been rolled out to rebuild staff engagement.

We continue to review and if possible, improve the range of benefits staff have access to. The staff survey reports 63% of staff are happy with their benefits package, but there was dissatisfaction with the pay and reward framework. Staff were consulted on changes to the framework, which will affect pay progression arising from the 2019/20 performance reviews.

The Staff Engagement Group continues to go from strength to strength with a full programme of activities provided in 2019/20 and with further actions and expansion planned for the next twelve months. The staff survey showed that this is now seen as an effective channel for staff to express views, contributing to an improvement in scores related to consultation and seeking the views of staff, which had been a major area of focus following the previous survey.

Equality, Diversity and Inclusion

In 2019 we commissioned an external consultant to review our ways of working. Following extensive engagement with staff he produced a comprehensive report and recommendations, which formed the basis for a multi-year EDI plan that continues into next year. Several improvements have already resulted from that work, including a review of our key HR policies and the establishment of our Equality, Diversity and Inclusion groups. This includes EMBRACE for staff from Black, Asian and minority ethnic backgrounds, ENABLE for staff with physical and mental health needs, LGBT+ our sexual orientation group and finally, our Women's Group.

The health and safety of those that work for us is of paramount importance. We are pleased to report that we had no major health and safety incidents reported during the year.

SECTION ONE: HOW WE DELIVER PUBLIC BENEFIT

Our values

These have been another key development area this year, following the staff survey and the need to re-visit the values underpinning our previous strategic plan. We listened to the comments made and have now developed a new set of values and behaviours in consultation with staff. These are being rolled out as part of our 2020-2025 Strategic Plan and will form a core part of life in the GOC henceforth.

Our new values are:

- We act with integrity
- We pursue excellence
- We respect other people and ideas
- We show empathy
- We behave fairly
- We are agile and responsive to change

SECTION ONE: HOW WE DELIVER PUBLIC BENEFIT

OUR STRUCTURE, GOVERNANCE AND MANAGEMENT

Our legislation and our governance regulations

We are constituted as a body corporate under the Opticians Act 1989, as updated by amending legislation which came into effect on 30 June 2005. We are also registered as a charity by the Charity Commission in England and Wales (registered charity number 1150137). We are accountable to Parliament through the Privy Council, to the Charity Commission and to our beneficiaries. We aim to be transparent in the work we undertake and how our work delivers public benefit, including through this annual report.

Our Council

Our Council is the governing body of the GOC and Council members are the charity trustees. They are collectively responsible for directing the affairs of the GOC, ensuring that it is solvent, well-run, and delivers public benefit. All Council members share the same duty of public protection and oversee the full range of regulatory processes.

The primary functions of Council are;

- policy and strategic direction. Providing strategic direction and making decisions in the interests of public protection;
- performance monitoring. Ensuring our statutory functions are delivered effectively and efficiently by holding the Executive to account, monitoring performance and ensuring adherence to the values of the organisation;
- financial stewardship. Oversight of financial performance and providing active financial stewardship to further the organisation's purposes and achieve value for money; and
- accountability, communication, and stakeholder engagement. Publishing an annual report, ensuring effective communication with the public, registrants, professional bodies, the government, and other interested parties and promoting public confidence in regulation.

Our Council is comprised of 12 members, of whom six are registrants and six are lay members (see page 23). Members are drawn from England, Wales, Scotland and Northern Ireland. Biographies can be viewed on our website¹. One Council member is appointed as a Senior Council Member (SCM) to carry out the Chair's review, provide a sounding board for the Chair and serve as an intermediary for Council members, the Executive and stakeholders as necessary. Helen Tilley fulfilled this role throughout the reporting year. Gareth Hadley fulfilled the role of Chair throughout the reporting year.

There were some changes in Council membership during the year. Selina Ullah came to the end of her second term in August 2019. Deborah Bowman was appointed in September 2019, but stepped down in February 2020.

¹ https://www.optical.org/en/about_us/People/Council_member_profiles.cfm

SECTION ONE: HOW WE DELIVER PUBLIC BENEFIT

Effectiveness of governance

We believe that effective and robust governance ensures probity in the decisions we make and serves to increase confidence in our work. Council conducts its business in accordance with the seven principles of public life: selflessness, integrity, objectivity, accountability, openness, honesty, and leadership.

This year we undertook the following activities to further enhance the effectiveness of our governance:

- Governance review: we brought all of our advisory committees together into an Advisory Panel providing a joint forum for seeking advice for Council and for the Chief Executive and Registrar;
- Council performance: we carried out an internal evaluation of Council's performance (see below);
- Terms of reference: we updated the terms of reference for the Nominations Committee;
- Risk Management: we updated our Risk Management policy.

Council evaluation

In June 2019, as per good governance practice, Council undertook an annual evaluation of its performance. Generally, in line with previous years, there were high levels of satisfaction with the composition of Council, its conduct, contribution and decision making and its relationship with the CEO and Executive. Overall performance has remained the same as last year, most areas, except there were lower levels of satisfaction in relation to Appointment, Appraisal, Evaluation, Training and Control. The management of risk remains an area in need of improvement.

The actions agreed following consideration of the outcomes of the review were for Council to:

- consider relevant horizon scanning and research – including stakeholders, political, economic and external environments;
- complete the Governance Review and review of the scheme of delegation/committee terms of reference;
- review the Risk Management processes, including development of a risk assurance framework to improve the provision of independent assurance information and evidence and develop a shared understanding of risks and issues (including risk appetite);
- develop a better understanding of operating costs and ensure consistent messaging throughout the organisation on our approach to financial management;
- improve patient and public engagement;
- review the internal whistleblowing policy (Speaking up) to ensure it is clear about when concerns can be escalated;
- allow for more informal time together to develop relationships and align thinking;
- ensure an effective environment for concerns to be raised and recommendations challenged; and

SECTION ONE: HOW WE DELIVER PUBLIC BENEFIT

- not defer to known experts on Council and actively seek alternative views.

Induction, review and development

All Council and committee members are inducted, developed and reviewed in accordance with our published policies. We hold routine induction sessions for newly appointed members, as an opportunity for members to meet each other and understand our challenges and priorities. Council members' individual performance is reviewed annually and, in general, committee members biennially. Reviews are used to support any recommendation for reappointment and identification of development requirements. The member development plan is designed to supplement areas of skills and knowledge that have been identified by members.

Members' conduct

Council (in their role as members and trustees) and committee members have a duty to act impartially and objectively and to take steps to avoid putting themselves in a position where their personal interests conflict with their duty to act in the interests of the charity, unless they are authorised to do so, and take steps to avoid any conflict of interest arising as a result of their membership of, or association with, other organisations or individuals. To make this fully transparent, we publish a register of [members' interests](#)² on our website.

Fees

[Member fees](#)³ were agreed from 1 April 2019, in line with the member fees policy.

² https://www.optical.org/en/about_us/People/register-of-interests/

³ https://www.optical.org/en/about_us/our-governance/financial-governance.cfm

SECTION ONE: HOW WE DELIVER PUBLIC BENEFIT

SECTION ONE: HOW WE DELIVER PUBLIC BENEFIT

Fees and Expenses

	Registrant or Lay Member	Home Location	Fees £	Expenses £	Council Meeting Attendance ¹	Committee and Advisory Panel Meeting ⁴ Attendance
Gareth Hadley (Chair)	Lay (Chair)	England	58,806	585	4/4	Nom 5/5, Rem 2/3
Deborah Bowman	Lay	England	6,554	-	0/1	Rem 1/1, Stan 1/1
Sinead Burns	Lay	N. Ireland	13,962	5,462	4/4	ARC 4/4, Comp 1/1, AP 2/2
Josie Forte	Registrant	England	13,962	2,758	4/4	Comps 1/1
Mike Galvin	Lay	England	16,288	1,486	4/4	ARC 4/4, Stan 1/1, Edu 1/1, AP 2/2
Rosie Glazebrook	Lay	England	13,962	55	4/4	Nom 5/5, Reg 1/1, AP 0/2
Scott Mackie	Registrant	Scotland	13,962	3,374	4/4	Edu 2/2
Clare Minchington	Lay	England	13,962	1,022	4/4	ARC 4/4, Edu 2/2
David Parkins	Registrant	England	13,962	-	4/4	ARC 4/4, Edu 2/2
Roshni Samra ⁵	Registrant	England	13,962	188	2/4	Reg 1/1
Helen Tilley	Registrant	Wales	17,073	3,852	4/4	Rem 3/3, Nom 5/5, Stan 1/1, AP 1/2
Glenn Tomison	Registrant	England	13,962	3,229	4/4	Nom 5/5, Stan 1/1, AP 0/2
Selina Ullah	Lay	England	5,818	1,238	2/2	Edu 2/2

Key:

Committees: **ARC** - Audit, Risk and Finance, **Comp** – Companies, **Edu** – Education, **Nom** - Nominations, **Reg** – Registration, **Rem** - Remuneration, **Stan** – Standards.

Panel: **AP** – Advisory Panel

All Council members are required to take part in other events such as strategy days, evaluations and performance appraisals, for which they receive no additional remuneration and which are not included in the attendance figures.

⁴ The first Advisory Panel meeting was in October 2019 which merged the following committees: Companies, Education, Registration and Standards.

⁵ Roshni Samra was absent due to maternity for part of the year.

Attendance

The attendance record of Council members at Council and committee meetings and the fees and expenses of Council members are shown on page 21. During 19/20 there were 4 Council meetings, 14 committee meetings and the Advisory Panel met 2 times. Council considers it has met sufficiently regularly to discharge its duties effectively. Council is committed to conducting its business in public; business is usually transacted in private only if it is commercially or legally sensitive, a preliminary discussion on development of strategy or policy, or if the matter being discussed concerns an individual or specific group.

All Council members are required to take part in other activities such as induction, development, strategy, corporate performance and evaluation. All members are required to engage in their own performance review.

Scheme of delegation

Our scheme of delegation sets out those functions retained by Council, delegated to a committee, or delegated to the Chief Executive and Registrar. Council is able to delegate any of its functions with the exception of approving rules.

The Executive

Our Chief Executive and Registrar, Lesley Longstone, is responsible for the Executive, which is structured into four interlinked directorates and a Secretariat function. Decision-making powers are delegated to the Chief Executive and Registrar under the Opticians Act 1989 and other powers delegated from Council. In order to exercise these powers, some are delegated to other members of the Executive.

The Director of Casework and Resolution, Dionne Spence, has responsibility for three functions: case progression (including the Optical Consumer Complaints Service), hearings and legal.

The Interim Director of Strategy, Marcus Dye, has responsibility for three functions: standards, policy and research, communications.

The Interim Director of Resources, Yeslin Gearty, has responsibility for five functions: registration, human resources, facilities, finance and information technology.

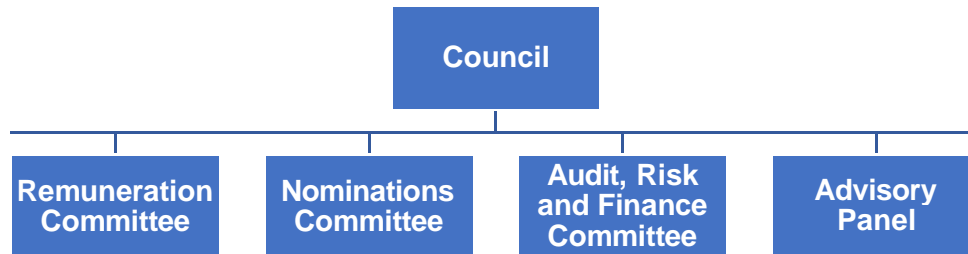
The Interim Director of Education, Leonie Milliner, has responsibility for three functions: education operations, the education strategic review and continuing education and training (CET).

The Head of Secretariat, Erica Wilkinson, has responsibility for five functions: governance, compliance, information governance, equality and diversity and business planning and performance.

Our governance structure

Our governance structure consists of 3 non-statutory committees and four statutory

advisory committees (Education, Standards, Registration and Companies) that meet collectively as an advisory panel.
Our structure is illustrated in the diagram below.



In order to exercise its powers, Council delegates certain responsibilities to committees with clearly defined authority and terms of reference.

We view the committees and advisory panel as a valuable source of stakeholder views alongside views obtained from research, public consultants and other engagement — in shaping Council's thinking and decision-making.

Audit, Finance and Risk Committee

The committee scrutinises financial reports prior to their presentation to Council, advises and provides assurance to Council on audit, risk and some aspects of governance, and takes some decisions as delegated by Council. In addition to the Council members on the committee, Helen Dearden is appointed as an independent member and she attended all meetings during the year. The role of the independent member is to provide the committee with independent, objective and impartial advice and judgement on audit, risk, governance and charity governance matters. The Chair (Clare Minchington) satisfies the provision under the UK Corporate Governance Code that at least one member of the committee has relevant financial experience.

The committee undertook the following work during 2019/20:

- Scrutinised the quarterly financial performance reports and forecasts and the draft budget prior to their presentation to Council;
- Recommended that Council approved an additional budget for IT to carry out upgrades and improvements;
- Reviewed the annual report and accounts, budget-planning timetable and guidance, and external audit findings report, accounting and internal control recommendations;
- Assessed and approved the internal audit plan;
- Approved the appointment of new Internal Auditors;
- Approved the ARC Work Plan for 2020/21.

The committee also held a development day in November 2019.

Remuneration Committee

The committee advises Council on the payment of Council and committee member fees, the Chief Executive and Registrar and Director remuneration, processes to determine executive remuneration, reward and performance management, and takes some delegated decisions. In addition to the Council members on the committee, Helen Dearden is appointed as an independent member and she attended three of the four meetings during the year. The independent member acts as an independent advisor on remuneration issues.

The committee undertook the following work during 2019/20:

- Agreed to changes to the remuneration arrangements for the Chief Executive and Registrar;
- Recommended to Council an executive pay and reward framework;
- Agreed to recommend to Council that the Director of Education position be made permanent;
- Agreed the recommendation regarding performance related pay awards for Directors with effect from 1 April 2019;
- Agreed that an equal pay review for Director salaries should be completed within the next 12 months;
- Received an update on the Employee appraisal process 2019 and agreed to provide assurance to Council;
- Endorsed the plan to re-do the gender pay gap analysis for all staff, including directors and agreed to publish the report externally;
- Agreed to recommend to Council the proposed amendment to the member fees policy.

Nominations Committee

The committee advises Council and takes some delegated decisions in areas of appointment, reappointment, appraisal, evaluation, induction and development of members. In addition to the Council members on the committee, Penny Bennett is appointed as an independent member and attended all meetings during the year. The independent member provides independent, objective and impartial advice and judgement. In addition, the independent member acts as an independent assessor for appointment and reappointment processes and participates in the appraisal of our Hearings Panel Chairs and the Investigation committee (IC) Chair.

The committee undertook the following work during 2019/20:

- Agreed the revised Member Appointments Process
- Agreed to implement anonymisation for all campaigns to understand whether this has an impact on removing unconscious bias from decisions
- Agreed to the committee, appointments and reappointments work plans for 2019/20
- Agreed to a recruitment timetable for a new Council Chair
- Agreed to amendments to the Senior Council Member job description

Advisory Panel (First meeting October 2019)

A Governance review was included in our 2019/20 business plan to agree the most efficient and effective governance structure, in light of proposed legislative changes by the Department of Health and Social Care. A formal governance review was therefore undertaken to help achieve our strategic objective of organisational transformation – to deliver high quality, efficient services to the public and registrants underpinned by a culture of evaluation and continuous improvement.

In July 2019, Council formally decided to:

- Change the approach of holding separate statutory advisory committee meetings to that of a central Advisory Panel, from which task and finish groups would be formed in line with business needs;
- Delegate to the Registrar functions Council had previously delegated to the statutory advisory committees; and
- Agree terms of reference for the Advisory Panel which would merge all current statutory advisory committee terms of reference.

The purpose of the Advisory Panel is to give advice and assistance to the Chief Executive and Registrar and to Council (whether or not in response to a reference from them), specifically including matters which would be addressed by statutory advisory committees as defined under their terms of reference.

The Advisory Panel will also help to identify what task and finish groups might be necessary and suggest other appropriate members and met twice during the year.

Education Committee (Final meeting June 2019)

Up until the Advisory Panel was implemented, the committee provided advice and assisted Council on matters relating to optical training, education and assessment, including the approval of training establishments and qualifications. The committee reviews our requirements for the content and standard of education, including the CET scheme and recommends changes as necessary. The committee met twice during the year as a stand-alone committee.

Standards Committee (Final meeting June 2019)

Up until the Advisory Panel was implemented, the committee provided advice and assisted Council on the standards of conduct and performance expected of current and potential registrants, including business registrants. The Committee met once during the year as a stand-alone committee.

Companies Committee (Final meeting June 2019)

Up until the Advisory Panel was implemented, the committee provided advice and assisted Council on matters relating to business registrants (other than in relation to FTP issues). The committee met once during the year as a stand-alone committee.

Registration Committee (Final meeting June 2019)

Up until the Advisory Panel was implemented, the committee provided advice and

assisted Council on matters relating to registration, including the rules governing registration and publication of the Registers. The committee met once during the year as a stand-alone committee.

REFERENCE AND ADMINISTRATIVE DETAILS

The GOC is the statutory regulator for the optical professions in the UK and is constituted as a body corporate under the Opticians Act 1989, as updated by its section 60 amending legislation which came into effect on 30 June 2005. On 12 December 2012, the GOC was registered as a charity by the Charity Commission in England and Wales (registered charity number 1 150137).

GOC registered office and operational address: 10 Old Bailey, London, EC4M 7NG

Bankers Lloyds Banking Group (incorporating Bank of Scotland) 4th Floor, 25 Gresham Street, London, EC2V 7HN

Internal auditors Mazars LLP (to 31 March 2020)
Tower Bridge House, St Katharine's Way, London E1W 1DD

External auditors Haysmacintyre LLP
10 Queen Street Place, London, EC4R 1AG

Investment Advisors Brewin Dolphin Limited
12 Smithfield Street, London, EC1A 9BD

Council

Gareth Hadley	(reappointed 18 February 2017 to 17 February 2021) (Chair)
Deborah Bowman	(appointed 1 September 2019, resigned 8 February 2020)
Sinead Burns	(appointed 1 October 2016 until 30 September 2020)
Josie Forte	(appointed 1 April 2017 until 31 March 2021)
Mike Galvin	(appointed 1 April 2017 until 31 March 2021)
Rosie Glazebrook	(reappointed 1 January 2019 until 31 December 2022)
Scott Mackie	(reappointed 1 April 2017 until 31 March 2021)
Clare Minchington	(appointed 1 April 2017 until 31 March 2021)
David Parkins	(reappointed 15 March 2020 until 14 March 2024)
Roshni Samra	(appointed 1 April 2017 until 31 March 2021)
Helen Tilley	(reappointed 1 May 2017 until 30 April 2021)
Glenn Tomison	(reappointed 1 January 2019 until 31 December 2022)
Selina Ullah	(reappointed 1 September 2014 until 31 August 2019)

SECTION TWO: OUR FITNESS TO PRACTISE ANNUAL REPORT

Our Fitness to Practise Annual Report

Introduction

In order to meet our statutory function and our overarching objective to protect the public, we investigate and act where a registrant's fitness to practise, train or carry on business is alleged to be impaired.

We recognise all professionals may make errors of judgement during the course of their practice and our Fitness to Practise (FTP) process is designed to assess whether that mistake, conduct or behaviour could reoccur or is so serious that we ought to take action to place restrictions on a registrant's registration.

A concern that a registrant may not be fit to practise can be as a result of one or more different factors including:

- poor professional performance;
- physical or mental health problems affecting their work;
- inappropriate behaviour;
- being under the influence of alcohol or drugs at work;
- fraud or dishonesty;
- a criminal conviction or caution; or
- a finding by another regulatory body.

We undertake an initial assessment of all concerns raised, to determine whether the matters constitute an allegation of impaired fitness to practise and relate to a registered individual or business. Complaints that do not meet these criteria may be referred elsewhere (for example, to the Optical Consumer Complaints Service (OCCS)). For complaints that meet these criteria, we conduct an investigation to gather relevant information. We keep the referrer informed and provide the registrant with an opportunity to offer a full response to the allegations before case examiners (or the Investigation Committee) who determine whether the matter should proceed to a full hearing.

Highlights

During 2019/20 we began to implement elements of our formal improvement programme – designed to address some of the longstanding challenges we have faced in FTP, particularly around delay.

The development and introduction of a two-year improvement programme has led to some early positive indicators and, although still some way off the overarching end to end median, we have much to be pleased with this year and are in a much healthier position to start 2020/21.

A review of our Acceptance Criteria, first introduced in 2018, alongside enhancements made to our triage function has led to a significant reduction in the proportion of concerns received resulting in a formal investigation - down from 59% in 2018/19 to 39% this year. The age of our open cases at Triage has reduced to eight weeks, in line with the revised objective.

Our Triage caseload (the number of referrals awaiting a triage decision) remained relatively stable against the year-end figure for 2018/19 but with a 25% reduction in

SECTION TWO: OUR FITNESS TO PRACTISE ANNUAL REPORT

new concerns being raised, we expect to see significant reductions over the forthcoming months.

We remain disappointed with our performance against our 26-week (median) KPI target for completing investigations which rose to 47 weeks this year against 38 in 2018/19. Following our review of all investigation concerns in early 2019, we projected an increase in our end-to-end median time for progressing cases from complaint to final Fitness to Practise Committee (FTPC) decision and this rose from 112 weeks to 120 weeks this year.

However, this is wholly reflective of the commitment and effort made to progress more of our aged cases through to hearings and this dip is positively matched by a very significant reduction in the number of open investigations, down 47 per cent from 297 at the end of 2018/19 to 157 at the end of 2019/20 and the decrease in the median time to schedule a hearing, once the GOC's final case is disclosed, from 30 weeks to 25 weeks.

We still have some targeted work to do in this final area and believe these improvements provide the space needed to target some of our more challenging investigations. While confident in the investigation age profile reducing, we are mindful that the end to end closure profile is likely to rise this year with the challenges to our attempts to proceed with hearings remotely due to the Covid-19 emergency.

In February 2020, we launched a one-year pilot to support proactive case management from when a case is referred to the FTPC to when it concludes at the close of the substantive hearing. It will apply to most registrants who are the subject of an FTP investigation and its main purpose is to facilitate the effective running of GOC hearings, encourage cooperation between parties, keeping delays to a minimum and mitigating the impact on the registrant/witnesses during the pre-hearing period. Early signs are that these case management meetings have the potential to reduce delays at the start of hearings, to reduce the time required to complete hearings, and to reduce the numbers of witnesses required to attend hearings.

We have maintained for a further year, the median time taken to impose an interim order at three weeks, from the date the need for an interim order is identified, thus protecting the public through prompt action in cases that present the most serious patient safety risk. Most of these cases are now retained in-house providing a more cost effective and efficient service.

During the year, our staff have attended and presented at several external events attended by registrants, educators and students, working to share some of the lessons coming out of FTP and dispel some of the myths that have built up around the process. We have undertaken basic clinical training and brought more of our work in-house to improve efficiency and support the development of our teams.

Complaints received in 2019/20

We received 342 referrals relating to the fitness to practise of our registrants, from which we opened 135 investigations. This represents a 25% reduction in the number

SECTION TWO: OUR FITNESS TO PRACTISE ANNUAL REPORT

of new referrals and a substantial reduction in the proportion of full investigations opened – 39% against 59% the previous year.

As in previous years, this number reflects less than 0.5% of our registrants being subject to a formal FTP investigation, and of these 23% were referred for a formal hearing, an increase from the 17% referral rate of last year. This continues to demonstrate that the vast majority of our registrants provide an excellent service to patients and are likely never to be subject to any action on their registration.

Table five - types of complaints investigated over the last three years.

Type of complaint	19/20	%	18/19	%	17/18	%
Conviction/caution	20	12.4%	39	14.5%	24	9.2%
Other clinical	26	16.1%	34	12.6%	27	10.3%
Personal conduct	32	19.9%	28	10.4%	39	14.9%
Procedures – business	15	9.3%	18	6.7%	17	6.5%
Multiple (clinical)	3	1.9%	17	6.3%	9	3.4%
Retinal detachment	7	4.3%	17	6.3%	7	2.7%
Multiple (clinical/conduct)	4	2.5%	16	5.9%	9	3.4%
Ill health	7	4.3%	14	5.2%	9	3.4%
Tumour	0	0.0%	13	4.8%	9	3.4%
Glaucoma	13	8.1%	10	3.7%	14	5.3%
Cataracts	4	2.5%	9	3.3%	13	5.0%
Other miscellaneous	12	7.5%	9	3.3%	3	1.1%
Spectacle prescription	1	0.6%	8	3.0%	23	8.8%
Supervision of student	0	0.0%	6	2.2%	6	2.3%
Management of child patients	3	1.9%	5	1.9%	3	1.1%
Exam/qualification fraud	0	0.0%	5	1.9%	2	0.8%
Macular degeneration	8	5.0%	4	1.5%	7	2.7%
Contact lenses	1	0.6%	4	1.5%	4	1.5%
Complaint handling – business	1	0.6%	3	1.1%	11	4.2%
Related to laser eye surgery	0	0.0%	3	1.1%	7	2.7%
Theft	0	0.0%	3	1.1%	7	2.7%
Fraud	0	0.0%	2	0.7%	4	1.5%
Fitting/dispensing	1	0.6%	1	0.4%	1	0.4%
Restricted activities	2	1.2%	1	0.4%	0	0.0%
Domiciliary	1	0.6%	0	0.0%	5	1.9%
Breach of Opticians Act	0	0.0%	0	0.0%	1	0.4%
Testing unregistered	0	0.0%	0	0.0%	1	0.4%
TOTAL	161	100.0%	269	100.0%	262	100.0%

SECTION TWO: OUR FITNESS TO PRACTISE ANNUAL REPORT

Table six - the number of investigations opened against each GOC registrant category over the last three years.

	2019/20	%	2018/19	%	2017/18	%
Optometrist	120	75%	186	69%	168	64%
Business registrant	15	9%	32	12%	39	15%
Dispensing optician	15	9%	25	9%	35	13%
Student optometrist	5	3%	18	7%	12	5%
Student dispensing optician	6	4%	8	3%	8	3%
Number of complaints	161	-	269	-	262	-
Total number of registrants	32,118	-	31,368	-	30,759	-
Number of registrants subject to complaints	161	-	269	-	262	-
Percentage of registrants subject to complaints	0.50%	-	0.86%	-	0.85%	-

Table seven - the source of concerns received during the last three years.

Source of concern	19/20	%	18/19	%	17/18	%
Patient or representative	63	39.1%	146	54.3%	160	61.1%
Self-declaration	29	18.0%	54	20.1%	43	16.4%
GOC	20	12.4%	23	8.6%	14	5.3%
Primary care organisation	7	4.3%	11	4.1%	12	4.6%
Employer/Ex-employer	10	6.2%	8	3.0%	11	4.2%
Other	14	8.7%	12	4.5%	11	4.2%
Professional/educational body	3	1.9%	8	3.0%	5	1.9%
Whistle-blower	7	4.3%	3	1.1%	3	1.1%
Police	0	0.0%	1	0.4%	2	0.8%
Anonymous	7	4.3%	3	1.1%	1	0.4%
Counter-fraud services	1	0.6%	0	0.0%	0	0.0%
ASA	0	0.0%	0	0.0%	0	0.0%
TOTAL	161	100.0%	269	100.0%	262	100.0%

The figures include the number of concerns raised by way of protected disclosure (whistleblowers) and those raised anonymously (if a concern falls into both categories, it will be classified as a protected disclosure).

Table eight - the decisions made by case examiners or the Investigation Committee over the last three years.

	19/20	%	18/19	%	17/18	%
Substantive Outcomes						
No further action	135	54%	111	51%	104	47%
No further action with advice	22	9%	40	18%	24	11%
Referral to FTP committee (FTPC)	56	22%	37	17%	57	26%
Warning	38	15%	30	14%	35	16%
Interim Outcomes						
Minded to issue a warning	42	N/A	49	N/A	32	N/A
Further investigation required	6	N/A	21	N/A	21	N/A
Direction for a performance assessment	0	N/A	0	N/A	0	N/A
Direction for a health assessment	2	N/A	4	N/A	0	N/A
Review Outcomes						

SECTION TWO: OUR FITNESS TO PRACTISE ANNUAL REPORT

Termination of referral to FTPC	20	N/A	12	N/A	12	N/A
Review of decision not to refer to FTPC	12	N/A	5	N/A	6	N/A
Confirmation of referral to FTPC	5	N/A	3	N/A	4	N/A
Withdrawn by complainant	0	N/A	0	N/A	0	N/A
Other Outcomes						
Withdrawn by complainant	0	N/A	0	N/A	0	N/A
TOTAL	338	100%	312	100%	295	100%

The numbers include all cases considered in these periods, including those where cases were opened before the period.

Our case examiners and IC made 313 decisions (some cases are subject to more than one decision) including reconsiderations pursuant to Rules 15 and 16 and all interim decisions. This year, 63% resulted in no further action (down from 69%) and 23% were referred to a full hearing (up from 17%).

Interim orders

The GOC Registrar has the legal power to refer a matter directly to the FTP committee for consideration whether to impose an interim order (IO) on the registrant's practice. Both case examiners and the IC also have the power to direct the Registrar to take this step. An IO is an immediate order which is used where the FTP committee is satisfied that it is:

- necessary to restrict the registrant's practice to protect the public;
- otherwise in the public interest; or
- in the interests of the registrant.

In the period covered by this report, we applied for an IO in 12 cases of which eight were approved. This reflects a 65% reduction in the number of applications made but limited movement in the proportion of orders imposed. This suggests that further work is required on our approach to considering which cases are appropriate for IOs this year.

Fitness to Practise Committee (FTPC)

In reaching a decision, the FTFC considers whether it is necessary to take action to protect the public and whether taking action is necessary for the wider public interest: for example, in order to maintain public confidence in the professions or to declare and uphold proper standards of conduct and behaviour.

If the FTFC finds that the registrant's fitness to practise or to undertake training is currently impaired, one of the following outcomes is available to it:

Erasure of the registrant's name from our register	The registrant's name is taken off the register and they cannot undertake functions that are restricted by law to registered optometrists or dispensing opticians or run a registered business in the UK. If they want their name restored to the register, they must go through a separate process which includes considering the reasons for their removal and any remediation that may have taken place. A registrant can apply for their name to be put back on the register no earlier than 22 months following the date of erasure.
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SECTION TWO: OUR FITNESS TO PRACTISE ANNUAL REPORT

Suspension from our register	The registrant's name is temporarily taken off the register and they cannot undertake functions that are restricted by law to registered optometrists or dispensing opticians or run a registered business in the UK for a fixed period. If someone tries to work after being suspended or erased they are committing a criminal offence.
Conditional registration	The registrant can stay on the register provided they comply with certain conditions such as doing extra training or being supervised.
Payment of a financial penalty	Imposition of a financial penalty in conjunction with any other directions that it has imposed, up to a maximum of £50,000.
Warning	If the registrant's fitness to practise or undertake training is considered not impaired, the FTPC can still warn the registrant about their future behaviour or performance. A warning can be for varying periods of time and will be appended to the registrant's online registration

Table nine shows the outcomes of cases decided by the FTP committee over the last three years. In 2019/20, the FTP committee considered 50 substantive hearings, involving 42 registrants. They resolved 42 with eight going part-heard into 2020/2021.

Substantive hearings						
Outcome	19/20	%	18/19	%	17/18	%
No further action / No case to answer	13	31%	16	38%	11	34%
Suspension	7	17%	9	21%	9	28%
Warning	1	2%	6	14%	4	13%
Erase	18	43%	9	21%	5	16%
Conditions	3	7%	1	2%	2	6%
Financial penalty	0	0%	1	2%	1	3%
TOTAL	42	100%	42	100%	32	100%

Substantive review hearings						
Outcome	19/20	%	18/19	%	17/18	%
No impairment following review hearing	9	82%	7	58%	5	50%
Erase following review hearing	1	9%	3	25%	1	10%
Conditions to continue following review hearing	1	9%	1	8%	1	10%
Conditions changed to suspension following	-	-	-	-	-	-

SECTION TWO: OUR FITNESS TO PRACTISE ANNUAL REPORT

review hearing						
Suspension changed to conditions following review hearing	-	-	-	-	1	10%
Suspension to continue following review hearing	-	-	1	8%	2	20%
Undertaking	N/A	N/A	-	-	-	-
TOTAL	11	100%	12	100%	10	100%

Additionally, the FTPC considered 14 procedural hearings, with four of these going through our new Hearings on the Papers process. This officially launched in April 2019 and is a case management tool that is used to identify and progress cases that may be suitable for concluding and progressing without the need for the attendance of parties.

We initially started with IO suspensions. The process was reviewed and expanded in September 2019 to include a suitability assessment on all IO reviews and some procedural matters. We will continue to review whether there are further opportunities to resolve hearings by this method over the coming year. We also consider procedural matters on the papers and will review if any further hearings can be disposed of by this method in the coming year.

All outcomes are published on our website for a period of 12 months although older decisions are available on request. **(insert link to hearings page on website)**

Registration Appeal Committee (RAC)

In circumstances where a registrant is erased from the register, any application for restoration is heard by the RAC. The applicant cannot make an application until 22 months have passed since the order for erasure took effect, and the restoration hearing cannot take place until at least 24 months have passed. Prior to making the application, the applicant must have acquired the required number of CET points. This does not apply to optical students. During 2019/20, the RAC heard one application for restoration by a registrant previously erased by the FTPC, which was refused.

The RAC also considers appeals against decisions made by the Registrar not to allow registration. During 2019/20, the RAC heard six appeals against the Registrar's decisions including failing to meet the CET requirements over the 2016-2018 period, failing to apply for retention and the registrar not granting restoration to the register. Four of these were upheld, and two rejected.

Professional Standards Authority (PSA) Section 29 referrals

The PSA has the discretion to refer a decision of the FTPC to the High Court when it considers that the decision of the committee is insufficient for public protection.

During 2019/20, the PSA did not refer any of the decisions of the FTPC under this process. Learning points from all cases are integrated into training and upskilling when required.

SECTION TWO: OUR FITNESS TO PRACTISE ANNUAL REPORT

Audit

Each year, we commission an independent audit of the FTP decision making of the IC and FTPC, in order to demonstrate our compliance with the Professional Standards Authority's eighth FTP standard. This states that *"all fitness to practise decisions made at the initial and final stages of the process are well reasoned, consistent, protect the public and maintain confidence in the professions"*.

This year the audit was conducted by RadcliffesLeBrasseur, solicitors and auditors, the third to be completed by them pursuant to a three-year contract. The audit contains sections on the auditor's findings, compliance with previous recommendations and learning points. Once the management response has been agreed, the audit report is submitted to the audit and risk committee for their scrutiny before submission to Council and to the PSA.

For the first time, we asked the auditor to include a small sample of decisions taken by the GOC Registrar at triage stage. This was one of the risk management mechanisms we committed to when we introduced Acceptance Criteria (AC) in November 2018. In future audits, as we have subsequently enhanced the AC, and introduced a new triage process, we will be increasing the sample of triage decisions included in the audit.

A total of 101 decisions were audited and the audit report identified a small number of learning points, all of which we accepted and acted upon. In summary, the auditors concluded that: *'the findings made in this audit demonstrate substantial compliance with the Council's statutory obligations. They also demonstrate compliance with the Council's own procedural requirements and guidance. We have identified a small number of cases where there were errors in decision making but we did not regard those as material.'*

Feedback

We also benefit from feedback, comments and questions sent from a variety of sources such as:

- patients and registrants who have been involved in an FTP case;
- FTP decision makers, ie. case examiners, IC members and hearing panel members;
- PSA feedback points after considering FTP committee determinations;
- regular and frequent meetings and training sessions with our panel solicitors; and
- meetings with other stakeholders, for example, those who represent registrants in our FTP cases.

SECTION THREE: OUR FINANCIAL REPORT

FINANCIAL REVIEW OF THE YEAR ENDED 31 MARCH 2020

Section 32 (2) of the Opticians Act 1989 provides that *'the accounts for each financial year of the Council shall be audited by auditors to be appointed by them and shall as soon as may be after they have been audited be published and laid before Parliament'*. Council prepares an annual financial report which identifies its financial position and which is submitted to the government for scrutiny.

The Audit, Risk and Finance committee met five times this year, reviews the systems of Council's internal financial controls and receives an annual report from the internal and external auditors. It also reviews the financial performance, operational and compliance controls and risk management.

In 2019/20, financial performance for the year (measured by net income) was £1.5m deficit (2018/19 £0.8m deficit). A deficit budget was planned for 2019-20 in order to utilise the reserves effectively in strategic projects. Last quarter of 2019-20 saw the market value of investments plunging by £1.4m due to economic impacts on Covid-19. This resulted in an unrealised loss of £0.83m on investments (2018-19 gain of £0.4m) for the year.

Income for the year was £9.6m (2018/19 £9.2m). £9.3m (2018/19 £8.9m) was related to annual renewal fees.

During the year we incurred £10.3m expenditure (2018/19 £10.4m). Expenditure was incurred in line with the annual business plan and was monitored using an enhanced programme of cost control and review.

We continue to maintain a robust cash resource and investments under management, so the trustees have a reasonable expectation that there are adequate resources to continue in operational existence for the foreseeable future as a going concern.

Reserves policy

Council is responsible for making judgments about the appropriate levels of reserves for the organisation to hold. This is to ensure that there are prudent levels of reserves to provide for unexpected variations in spending or income patterns or to fund exceptional future spending. Council will review these reserves at least annually at the time of setting the budget for each financial year in consultation with the Chair of the audit, risk and finance committee.

All of our reserves are unrestricted and as at 31 March 2020, the total reserves were £5.5m (2018/19 £7.0m). The Council in setting the reserves policy has identified two designated reserves, Legal cost reserve and Strategic reserve. The legal cost reserve (£1.6m) is to provide against significant increases or decreases in volumes

SECTION THREE : FINANCIAL REPORT

of cases, and consequently expense. The strategic reserve (£2.8m) supports the delivery of specific projects and initiatives outlined in the GOC's strategic plans. The reserve policy is reviewed every three years. The total unrestricted funds net of tangible fixed assets is £4.6m (2018/19 £5.9m).

During the year, £139k was spent from the strategic reserve for the IT strategy project. The project will improve the operational performance of the organisation beyond 2019/20 and will make continued improvements in IT, including website development.

The reserves policy has been reviewed and aligned with the strategic plan. We will undertake a further review of the policy in the coming year considering the current economic conditions and the new strategic plan. This will enable us to make use of the high reserves for strategic projects and thereafter maintain at an appropriate minimum level according to the Charity Commission guidelines.

Investment policy

The Working Capital Policy recognises that all deposits must be secure, liquid and not exposed to currency risk.

The Investment Policy Statement recognises the additional needs of the GOC as it seeks to ensure that funds provide reasonable returns within acceptable risk profiles.

Trustees have the wide powers of investment outlined in the Trustee Act 2000, which includes the power to delegate some responsibilities to an investment manager. We have appointed Brewin Dolphin as investment advisers to ensure we can make best use of the proceeds for future financial stability. The investment officer (Director of Resources) continues to manage the short-term cash reserve and liaise with the investment managers in respect of the investment strategy.

SECTION THREE: OUR FINANCIAL REPORT

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom accounting standards), including Financial Reporting Standard 102, the financial reporting standard applicable in the UK and Republic of Ireland.

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities Act;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to assume that the charitable company will continue on that basis.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions, disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and the financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Each of the trustees, who held office at the date of approval of this trustees' report, has confirmed that there is no information of which they are aware which is relevant to the audit but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are made aware of such information.

Approved by the trustees on 15 July 2020, and signed on their behalf by



Gareth Hadley
Chair, GOC

SECTION THREE : FINANCIAL REPORT

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF GENERAL OPTICAL COUNCIL

Opinion

We have audited the financial statements of the General Optical Council for the year ended 31 March 2020 which comprise Statement of Financial Activity, Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2020 and of the its net movement in funds for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 43, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or

SECTION THREE: OUR FINANCIAL REPORT

error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, the Chair's statement and Chief Executive's statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charity; or
- sufficient accounting records have not been kept; or
- the charity financial statements are not in agreement with the accounting records and returns; or

SECTION THREE : FINANCIAL REPORT

- we have not received all the information and explanations we require for our audit.

Use of our report

This report is made solely to the charity's members, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity's trustees as a body for our audit work, for this report, or for the opinions we have formed.



Haysmacintyre LLP
10 Queen Street Place
Statutory Auditors
London
EC4R 1AG

Date: 20 October 2020

Haysmacintyre LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

SECTION THREE: OUR FINANCIAL REPORT

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2020

	Notes	Unrestricted Funds £'000	Total 2019/20 £'000	Total 2018/19 £'000
Income from:				
Charitable activities	2	9,313	9,313	8,878
Investments	3	288	288	309
Other income				
Other		-	-	-
Total		9,601	9,601	9,187
Expenditure on:				
Raising Funds	11	43	43	49
Charitable activities	5	10,224	10,224	10,304
Total resources expended		10,267	10,267	10,353
Net (losses) / gains on investments	11	(827)	(827)	401
Net (expenditure) / income		(1,493)	(1,493)	(765)
Reconciliation of funds:				
Total funds brought forward		7,032	7,032	7,797
Total funds carried forward		5,539	5,539	7,032

There are no recognised gains or losses other than those recognised above. All activities are continuing.

All the transactions in 2019-20 and 2018-19 were unrestricted.

The notes on pages 46 to 58 form part of these financial statements.

SECTION THREE : FINANCIAL REPORT

BALANCE SHEET FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2019/20 £'000	2018/19 £'000
Fixed assets:			
Tangible fixed assets	10	977	1,097
Investments	11	7,012	8,288
Total fixed assets		7,989	9,385
Current assets:			
Debtors	12	442	667
Short term deposits		7,200	5,100
Cash at bank and in hand		468	1,999
Total current assets		8,110	7,766
Current liabilities:			
Creditors: amounts falling due within one year	13	(10,560)	(10,119)
Net current assets		(2,450)	(2,353)
Total assets less current liabilities		5,539	7,032
Net assets		5,539	7,032
Represented by:			
Unrestricted funds:			
Designated funds	15	4,469	4,608
General funds	15	1,070	2,424
Total funds		5,539	7,032

The notes on pages 46 to 58 form part of these financial statements.

The financial statements were approved and authorised by the Council on 15 July 2020 and were signed on its behalf by:



Gareth Hadley
Chair, GOC

SECTION THREE: OUR FINANCIAL REPORT

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

	2019/20 £'000	2018/19 £'000
Cash flows from operating activities:		
Reconciliation of net (expenditure) / income to net cash flow from operating activities:		
Net income / expenditure for the reporting period (as per the statement of financial activities)	(1,493)	(765)
Depreciation	152	182
Loss on disposal of fixed assets	2	-
(Gains) / losses on investment income	827	(401)
Dividends, interest and rents from investments	(288)	(309)
Decrease / (Increase) in debtors	216	(84)
Increase/ (decrease) in creditors	441	29
Net cash provided by (used in) operating activities	(143)	(1,348)
Cash flows from investing activities:		
Dividends, interest and rents from investments	288	309
Purchase of tangible fixed assets	(9)	(62)
Proceeds from sale of investments	2,242,306	Movement in
short term deposit account (more than three months)	(2,100)	(100)
Movement in Cash held in investment	7	(11)
Purchase of Investments	(1,816)	(436)
Net cash provided by (used in) investing activities	(1,388)	2,006
Change in cash and cash equivalents in the reporting period	(1,531)	658
Cash and cash equivalents at the beginning of the reporting period	1,999	1,341
Cash and cash equivalents at the end of the reporting period	468	1,999
Cash and cash equivalents at the end of the reporting period		
Cash at bank and in hand	468	1,999

The notes on pages 46 to 58 form part of these financial statements.

NOTES TO THE FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

1. GENERAL INFORMATION

The GOC is constituted as a body corporate under the Opticians Act 1989, as updated by amending legislation which came into effect on 30 June 2005. We are also registered as a charity by the Charity Commission in England and Wales (registered charity number 1150137). Our registered office is at 10 Old Bailey, London EC4M 7NG.

2. ACCOUNTING POLICIES

The principle accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

The financial statements have been prepared in accordance with accounting and reporting by Charities SORP, applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102, effective 1 January 2019), Charities SORP FRS 102, and the Charities Act 2011.

We are required to submit the accounts to the Privy Council who lay them before Parliament.

The GOC meets the definition of a public benefit entity under FRS 102.

3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results may ultimately differ from those estimates. The trustees consider the following item to be an area subject to estimation and judgement.

Depreciation:

The useful economic lives of tangible fixed assets are based on management's judgement and experience. When management identifies that actual useful economic lives differ materially from the estimates used to calculate depreciation, that charge is adjusted retrospectively. As tangible fixed assets are not significant, variances between actual and estimated useful economic lives will not have a material impact on the operating results. Historically no changes have been required.

(i) GOING CONCERN

The trustees (Council members) consider there are no material uncertainties about the charity's ability to continue as a going concern. With respect to the next reporting period, 2020/21, the most significant areas of uncertainty that

SECTION THREE: OUR FINANCIAL REPORT

affect the carrying assets held by the charity are the level of investment return and the performance of the investments markets (see the investment policy and the risk management sections of the Council members' annual report for more information). The review of our financial position, reserves levels and future plans gives Council members' confidence that guarantee the charity remains a going concern. The financial statements have been prepared on a going concern basis.

(ii) INCOME

All income is recognised. Once the charity has entitlement to income, it is probable that income will be received, and the amount of income receivable can be measured reliably.

Our income mainly comprises fees from registered optometrists, dispensing opticians and bodies corporate. Fees charged for annual retention are payable in advance between January and March each year and are recognised in the period to which they relate.

We also receive registration fees from students, which are payable for the year or period ending 31 August in line with the academic year and credited in the accounts for the year to which they relate.

Investment income is recognised when interest or dividends fell due and is stated gross of recoverable tax.

Sales and other income are recognised when the related goods or services are provided.

(iii) EXPENDITURE

Resources are expended directly in pursuit and support of the charitable aims. Expenditure on charitable activities comprises of FTP, legal compliance, registration and education and standards related cost. Expenditure is recognised on an accruals basis as a liability is incurred.

Expenditure is allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity is apportioned based on staff time attributable to each activity.

Support costs include governance costs and other support costs. Governance costs include those incurred in the governance of the organisation and its assets and are primarily associated with constitutional and statutory requirements. Costs include direct costs of external audit, legal fees and other professional advice.

SECTION THREE : FINANCIAL REPORT

Support costs have been apportioned between all activities based on staff head counts. The allocation of support and governance costs is analysed in note 6. Resources expended are included in the statement of financial activities on an accruals basis. All liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to expenditure.

(iv) FIXED ASSETS

Tangible fixed assets are stated at cost, net of depreciation.

Expenditure is capitalised where the cost of the asset, or group of assets, exceeds £500.

Website planning costs are charged to the statement of financial activities as incurred. Other website costs are capitalised as a fixed asset only where they lead to the creation of an enduring asset delivering tangible future benefits whose value is at least as great as the amount capitalised.

An impairment review is undertaken of the net asset value of the website at each balance sheet date. Expenditure to maintain or operate the development website is charged to the statement of financial activities.

(v) DEPRECIATION

Assets are depreciated in equal instalments over the following periods:

IT equipment	3 years
Website/intranet/online renewal	3 years
Office furniture and equipment	10 years
Leasehold improvements (office fit-out) (15 years)	Over the lease term

Depreciation is provided so as to write off the cost, less residual value, of the assets evenly over their estimated useful lives.

(vi) INVESTMENTS

Investments are a form of basic financial instruments and are initially shown in the financial statements at their transaction value and subsequently measured at their fair value as at the balance sheet date. Movements in the fair values of investments are shown as unrealised gains and losses in the statement of financial activities.

Investments comprise shares, funds, cash or deposits held as investments. The investments are limited to cash in instant access or term deposits and permitted investments in line with the investment policy approved by Council in February 2019.

SECTION THREE: OUR FINANCIAL REPORT

(vii) FINANCIAL INSTRUMENTS

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

(viii) DEBTORS

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

(ix) CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

(x) CREDITORS AND PROVISIONS FOR LIABILITIES

Creditors and provisions are recognised when the charity has a present legal or constructive obligation as a result of a past event. They are recognised when it is probable that a transfer of economic benefit will be required to settle the obligation and a reliable estimate can be made of the obligation.

Where a present obligation exists for FTP cases as a result of a past event and estimate can be made of the obligation, then this is provided for. The accuracy of the provision will depend on the assumptions made about the progress of individual cases and is subjected to a significant degree of uncertainty.

(xi) FUNDS AND RESERVES

All of our funds are unrestricted and can be expended at our discretion to help deliver our objectives.

We have set designated funds aside as follows:

- Legal Costs Reserve – established to cover large fluctuations in the volume of cases/complaints received by the GOC which need to be reviewed and consequently investigated.
- Strategic Reserve – established to support specific strategic projects and initiatives outlined in the GOC's 3-year Strategic Plan and Budget and beyond.

(xii) TAXATION

We are not registered for VAT and VAT on expenditure is expensed as part of the cost of the goods or services supplied.

SECTION THREE : FINANCIAL REPORT

(xiii) OPERATING LEASES

The annual rentals are charged to the statement of financial activities over the term of the lease.

(xiv) EMPLOYEE BENEFITS

Short-term benefits - Short-term benefits, including holiday pay, are recognised as an expense in the period in which the service is received.

Employee termination benefits - Termination benefits are accounted for on an accrual basis and in line with FRS 102.

Pension scheme - Council contributes to a defined contribution pension scheme for the benefit of its employees under an auto-enrolment scheme, the assets of which are administered by Royal London. The assets of the scheme are held independently from those of the Charity in an independently administered fund. The pensions costs charged in the financial statements represent the contributions payable during the year.

	2019/20 £'000	2018/19 £'000
2. Income from charitable activities		
Registration and renewal fee	9,279	8,852
Continuing Education Training provider	34	26
Total	9,313	8,878

	2019/20 £'000	2018/19 £'000
3. Income from Investment		
Interest from fixed deposits	29	13
Dividend income	259	296
Total	288	309

4. There was no income arising from other activities during 2019-20 and 2018-19.

	Direct Cost £'000	Support Cost £'000	Total 2019/20 £'000
5. Charitable activities			
Fitness to practise (Note 5a.)	4,123	1,787	5,910
Registration	708	503	1,211
Education and standards	1,561	838	2,399
Policy	222	100	322
Communications	243	139	382
Total	6,857	3,367	10,224

SECTION THREE: OUR FINANCIAL REPORT

Comparative figures below.

	Direct Cost £'000	Support Cost £'000	Total 2018/19 £'000
5. Charitable activities			
Fitness to practise (Note 5a.)	4,027	1,662	5,689
Registration	848	608	1,456
Education and standards	1,717	569	2,286
Policy	263	132	395
Communications	324	154	478
Total	7,179	3,125	10,304

The following table analyses the FTP costs.

	2019/20 £'000	2018/19 £'000
5a. Fitness to practise including Legal compliance		
Legal fees on investigations	606	588
Other investigation costs	1,540	1,542
Hearing costs	1,321	1,268
Dispute mediation	215	174
Legal compliance	441	455
Support costs	1,787	1,662
Total	5,910	5,689

							2019/20 Total £'000
	Management £'000	Governance £'000	Facilities £'000	HR £'000	Finance £'000	IT £'000	£'000
6. Support costs							
Fitness to practise	126	405	410	271	130	445	1,787
Registration	36	114	115	76	36	126	503
Education and Standards	59	190	192	127	61	209	838
Policy	7	23	23	15	7	25	100
Communications	10	31	32	21	10	35	139
Total	238	763	772	510	244	840	3,367

Comparative figures below.

	Management £'000	Governance £'000	Facilities £'000	HR £'000	Finance £'000	IT £'000	2018/19 Total £'000
6. Support costs							
Fitness to practise	136	378	433	191	210	314	1,662
Registration	50	138	158	70	77	115	608
Education and Standards	45	129	150	66	72	107	569
Policy	11	30	34	15	17	25	132
Communications	13	35	40	18	19	29	154
Total	255	710	815	360	395	590	3,125

SECTION THREE : FINANCIAL REPORT

Governance cost includes fees and expenditure incurred in relation to Council and the committees, external and internal audit fees and staff cost related to supporting the governance activities. Support cost is allocated to different activities on the basis of staff numbers.

The details of the governance cost included under support cost are as follows. Members' fees and expenses include Council (trustees) and committee members.

	2019/20	2018/19
	£'000	£'000
Governance costs		
Members' fees and expenses	301	318
Staff cost	360	333
External audit fees	19	18
Internal audit fees	39	31
Other governance cost	44	10
Total	763	710

	2019/20	2018/19
	£'000	£'000
7. Net income for the year are stated after charging:		

Fees paid to external auditors - haysmacintyre:		
external audit fee (excl. VAT)	16	15
taxation advice	2	1
Internal audit fees	39	31
Depreciation of fixed assets	152	182
	2019/20	2018/19
	£'000	£'000

8. Staff costs		
Staff employment costs:		
Salaries	4,079	3,905
Settlements	46	116
National insurance	403	371
Pension costs	341	280
Total	4,869	4,672

Average number of staff	2019/20	2018/19
Chief Executive's office	2	3
Management team	6	5
Fitness to practise	34	29
Registration	10	11
Education and standards	15	9
Policy and communications	5	5
Governance, compliance, performance planning	5	7
Resources (Facilities, HR, Finance, IT and projects)	14	13

SECTION THREE: OUR FINANCIAL REPORT

Total **91** **82**

The number of staff whose taxable emoluments fell into higher salary bands was:

	2019/20	2018/19
£60,000 but under £70,000	4	4
£70,000 but under £80,000	1	1
£80,000 but under £90,000	2	1
£90,000 but under £100,000	1	-
£100,000 but under £110,000	-	2
£110,000 but under £120,000	1	-
£130,000 but under £140,000	1	-
£240,000 but under £250,000	-	1

During the year, Council paid £48,058 for ten members of staff in this category (2018/19 £67,259 for nine members of staff) to a defined contribution pension scheme. The trustees (Council members) consider the SMT to be key management. The trustees are also paid fees and reimbursed expenses for their travel and subsistence. The details are in note 9. No amounts are paid directly to third parties that are not already disclosed in note 9.

Remuneration and benefits received by key management personnel (SMT) are as follows:

Key management personnel	2019/20 £'000	2018/19 £'000
Gross Pay	550	469
Employer national insurance contributions	63	57
Employer pension contributions	48	40
Benefits	10	10
Total	671	576

9. Trustees' expenses	Fees £	Fees inc. VAT £	Expenses £	2019/20 Total £
Selina Ullah*	5,818	5,818	1,238	7,056
Gareth Hadley	58,806	58,806	585	59,391
Helen Tilley	17,073	17,073	3,852	20,925
Scott Mackie	13,962	13,962	3,374	17,336
Glen Tomison	13,962	13,962	3,229	17,191
Rosie Glazebrook	13,962	13,962	55	14,017
David Parkins	13,962	13,962	-	13,962
Sinead Burns	13,962	13,962	5,462	19,424
Josie Forte	13,962	13,962	2,758	16,720
Mike Galvin***	13,962	16,288	1,486	17,774
Clare Minchington	13,962	13,962	1,022	14,984
Roshni Samra	13,962	13,962	188	14,150
Deborah Bowman**	6,554	6,554	-	6,554
Total	213,909	216,235	23,249	239,484
Number of trustees				12

* Retired during the year.

SECTION THREE : FINANCIAL REPORT

** appointed and retired during the year.

***Fees include VAT

Comparative figures below.

Trustees' expenses	Fees £	Fees incl. VAT £	Expenses £	2018/19 Total £
Selina Ullah	13,962	13,962	2,116	16,078
Gareth Hadley	58,806	58,806	1,704	60,510
Helen Tilley	17,073	17,073	3,147	20,220
Scott Mackie	13,962	13,962	3,773	17,735
Glen Tomison	13,962	13,962	2,518	16,480
Rosie Glazebrook	13,962	13,962	85	14,047
David Parkins	13,962	13,962	-	13,962
Sinead Burns	13,962	13,962	6,392	20,354
Josie Forte	13,962	13,962	2,457	16,419
Mike Galvin	13,962	13,962	1,285	15,247
Clare Minchington	13,962	13,962	174	14,136
Roshni Samra	13,962	13,962	969	14,931
Total	215,499	215,499	24,620	240,119
Number of trustees				12

Opticians Act 1989, schedule 1 of the act, paragraph 11 (2) b allows us to pay fees to trustees for attending Council meetings.

10. Tangible fixed assets	Office, furniture and equipment £'000	Refurbishment £'000	IT hardware £'000	IT software £'000	Total £'000
Cost as at 1 April 2019	302	1,058	290	1,387	3,037
Add: Cost of additions	2	-	32	-	34
Less: Disposals	-	-	(65)	-	(65)
Transfers	-	-	-	-	-
Total at 31 March 2020	304	1,058	257	1,387	3,006
Less: Depreciation					
As at 1 April 2019	(96)	(245)	(227)	(1,372)	(1,940)
Charged in the year	(30)	(75)	(32)	(15)	(152)
Disposals	-	-	63	-	63
Total at 31 March 2020	(126)	(320)	(196)	(1,387)	(2,029)
Net book value 31 March 2020	178	738	61	0	977
Net Book Value 31 March 2019	206	813	63	15	1,097

SECTION THREE: OUR FINANCIAL REPORT

	2019/20 £'000	2018/19 £'000
11. Investment		
Investments b/f	8,035	9,504
Additions	1,816	436
Disposals	(2,242)	(2,306)
Realised gains	23	9
Unrealised gains	(866)	392
Investments c/f	6,766	8,035
Cash	246	253
Total portfolio	7,012	8,288

Total portfolio includes cash held with equity managers.

During the year £43,214 (2018/19 £49,276) was incurred as investment management fees and has been disclosed on the Statement of Financial Activities as Raising Funds.

	2019/20 £'000	2018/19 £'000
12. Debtors		
Prepayments	368	324
Other debtors	74	341
Accrued income	0	2
Total	442	667
	2019/20 £'000	2018/19 £'000
13. Creditors: Amounts falling due within one year		
Trade creditors	363	158
Deferred income (note 13a)	8,914	8,528
Accruals	1,119	1,128
Other tax and social security	97	125
Other creditors	67	180
Total	10,560	10,119

Accruals include rent accrual amounting to £413,515 (2018/19 £520,339).

Income from registrant renewal fees received in advance is deferred and released as income in 2020/21.

	2019/20 £'000	2018/19 £'000
13a. Deferred income		
At 1 April	8,528	8,297
Amount deferred during the year	9,076	8,719
Amount released to Statement of Financial Activities	(8,690)	(8,488)
Total	8,914	8,528

2019/20 2018/19

SECTION THREE : FINANCIAL REPORT

	£'000	£'000
14. Financial Instruments		
Financial assets measured at fair value	7,012	8,288
Financial assets measured at amortised cost	7,742	7,442
Financial liabilities measured at amortised cost	(1,645)	(1,591)
Net financial assets measured at amortised cost	13,109	14,139

- (a) Financial assets measured at fair value include investments.
- (b) Financial assets measured at amortised cost include short term deposits and cash in hand, trade debtors, other debtors, and accrued income
- (c) Financial liabilities measured at amortised cost include trade creditors, other creditors and accruals.

	2019	Income	Expenditure	Transfers / gain / loss	2020
	£'000	£'000	£'000	£'000	£'000
15. Funds					
Unrestricted funds					
Designated funds					
Legal cost reserve	1,624	-	-	-	1,624
Strategic reserve	2,984	-	(139)	-	2,845
Total designated funds	4,608	-	(139)	-	4,469
General funds					
Income and expenditure reserve	2,424	9,601	(10,128)	(827)	1,070
Total funds	7,032	9,601	(10,267)	(827)	5,539
	2018	Income	Expenditure	Transfers/ gain / loss	2019
	£'000	£'000	£'000	£'000	£'000
Unrestricted funds					
Designated funds					
Legal cost reserve	1,624	-	-	-	1,624
Strategic reserve	2,984	-	-	-	2,984
Total designated funds	4,608	-	-	-	4,608
General funds					
Income and expenditure reserve	3,189	9,187	(10,353)	401	2,424
Total funds	7,797	9,187	(10,353)	401	7,032

SECTION THREE: OUR FINANCIAL REPORT

The legal cost reserve is to provide against significant increases or decreases in volumes of cases, and consequently expense. The Strategic reserve is held to support the delivery of specific strategic projects and initiatives outlined in the GOC's Strategic Plans.

	Unrestricted funds £'000	Total 2019/20 £'000	Total 2018/19 £'000
16. Analysis of net assets by fund			
Tangible fixed assets	977	977	1,097
Investments	7,012	7,012	8,288
Current assets	8,110	8,110	7,766
Current liabilities	(10,560)	(10,560)	(10,119)
Total net assets	5,539	5,539	7,032

17. Pension commitments

We operate a defined contribution auto-enrolment pension scheme on behalf of employees. The assets of the scheme are held separately from those of Council in an independently administered fund. The total expense incurred during the year was £341,356 (2018/19 £283,508). There were £50,111 in outstanding contributions in 2019/20, (2018/19 £93,814) included in the balance sheet.

18. Commitments under operating leases

At 31 March 2020, the charity had the following future lease payments under operating leases.

18. Commitments under operating leases

	2019/20 £'000	2018/19 £'000
Land and buildings		
Within one year	620	620
In two to five years inclusive	2,481	2,481
Over five years	-	621
Office Equipment lease		
Within one year	36	25
In two to five years inclusive	59	52

The total charge of all operating leases to the statement of financial activities as at 31 March 2020 was £532,413 (2019 £532,413).

19. Related party transactions

SECTION THREE : FINANCIAL REPORT

During the year, the members of Council were paid for the attendance of Council meetings and related expenditure through Council payroll (refer to note 9 for details).

In addition to Council related payments, the following Council members were involved in related parties with which the GOC had the following transactions during the year:

- Scott Mackie provided services as a CET approver. We paid Scott £4,757 for services provided during the year as a CET approver. Scott's spouse and business partner, Dr Roisin Mackie also provided CET services as a CET approver. We paid her £6,531 for the services provided during the year.
- David Parkins' spouse, Dr Susan Blakeney is a case examiner. During the year we paid Susan £7,721 in fees for her services.